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Security Council Committee established pursuant to resolution 1718 (2006)

Note verbale dated 2 June 2016 from the Permanent Mission of Hungary to the United Nations addressed to the Chair of the Committee

The Permanent Mission of Hungary to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006), and with reference to paragraph 40 of Security Council resolution 2270 (2016) that calls upon all States to report to the Council within 90 days of the adoption of the resolution, has the honour to communicate the following.

Hungary implements restrictive measures of the Security Council through directly applicable European Union legal acts. In the case of the Democratic People's Republic of Korea (DPRK), the following decisions and regulations are applicable:

- Council Decision 2013/183/CFSP of 22 April 2013 concerning restrictive measures against the Democratic People's Republic of Korea and repealing Decision 2010/800/CFSP and its amendments (see the latest amendment, Council Decision (CFSP) 2016/476 of 31 March 2016 amending Decision 2013/183/CFSP concerning restrictive measures against the Democratic People's Republic of Korea).
- Council Regulation (EC) No. 329/2007 of 27 March 2007 concerning restrictive measures against the Democratic People's Republic of Korea and its amendments (see the latest amendment, Council Regulation (EU) 2016/682 of 29 April 2016, amending Regulation (EC) No. 329/2007 concerning restrictive measures against the Democratic People's Republic of Korea).

The adoption of the latest amendments to the respective Council of the European Union decision and regulation was finalized by 29 April 2016. In order to deal with this legislative gap, the Hungarian Trade Licensing Office requested that the National Tax and Customs Administration and the internal security and intelligence agencies immediately contact its Authority of Defense Industry and Export Control (the competent national authority to implement export restrictions) if they identify any export transaction or economic operator contravening Security Council resolution 2270 (2016). In such a case, Government Decree 13/2011

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enables the competent authority to prohibit export transactions subject to international sanctions. Furthermore, the Authority of Defense Industry and Export Control published the amendments on its website in order to inform the relevant economic operators and stakeholders.

Arms embargo

Council Decision 2013/183/CFSP called for a complete arms embargo against the DPRK, including the export of arms and related material, with the exception of non-combat vehicles manufactured or fitted with materials to provide ballistic protection intended solely for the protective use of personnel of the European Union and its member States in the DPRK.

The decision also prohibits the provision of technical training, advice, assistance or brokering services, or other intermediary services, related to military goods and technologies, and any item that may contribute to DPRK weapons of mass destruction- and missile-related programmes or to the provision, manufacture, maintenance and use of those items, directly or indirectly to any person, entity or body in, or for use in, the DPRK.

Export restrictions

Council Regulation (EC) 329/2007 introduced a wide array of sanctions against DPRK.

The regulation prohibits the sale, supply and export of any dual-use item, including software and technology, to the DPRK. Dual-use items are items defined in annex I of Council Regulation (EC) 428/2009 on setting up a community regime for the control of exports, transfer, brokering and transit of dual-use items. Annex I contains items that have been listed by the Missile Technology Control Regime, the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, the Nuclear Suppliers Group, the Australia Group and the Organization for the Prohibition of Chemical Weapons.

Council Regulation (EC) 329/2007 lists additional materials, equipment, goods and technology that could contribute to North Korea's nuclear-related, other weapons of mass destruction-related or ballistic missile-related programmes.

The regulation also prohibits the direct or indirect provision of technical assistance in connection with goods listed on the Common Military List of the European Union or any item listed in Council Regulations (EC) 428/2009 and 329/2007 respectively.

Government Decree 13/2011 implements the provisions of Council Regulation (EC) 428/2009 and Council Joint Action 2000/401/CFSP concerning the control of technical assistance related to certain military end-uses. Government Decree 13/2011 also implements international restrictive measures; therefore, the export of items falling under restrictive measures ordered by international sanctions is subject to licensing, and the competent authority declines to grant a licence if the international sanction prohibits the export of a relevant item.

Catch-all controls

Council Regulation (EC) 428/2009 provides the national authorities of member States with broad catch-all control powers by stating that authorization shall be required for the export of dual-use items not listed in annex I:

(a) If the exporter has been informed by the competent authorities of the member State in which he is established that the items in question are or may be intended, in their entirety or in part, for use in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices or the development, production, maintenance or storage of missiles capable of delivering such weapon; or

(b) If the purchasing country or country of destination is subject to an arms embargo decided by a common position or joint action adopted by the Council of the European Union or a decision of the Organization for Security and Cooperation in Europe or an arms embargo imposed by a binding resolution of the Security Council of the United Nations; and

(c) The exporter has been informed by the competent national authorities that the items in question are or may be intended, in their entirety or in part, for a military end-use.

Import restrictions for ordinary goods (i.e., non-dual-use and non-military items) are implemented by the National Tax and Customs Administration and, in the case of licensing requirements, by the trade authority of the Hungarian Trade Licensing Office.

Financial and asset-related restrictive measures

In Hungary, when a European Union legal act orders a financial and asset-related restrictive measure, it shall be executed in accordance with Act CLXXX of 2007 on the implementation of financial and asset-related restrictive measures ordered by the European Union, and on respective amendments of other laws.

Under this Act, the Hungarian Financial Intelligence Unit is the central authority for the implementation of financial and asset-related restrictive measures. Regarding the sanctions related to the DPRK, the Unit introduced the following measures:

(a) Published information about the Security Council and European Union listings concerning the restrictive measures against the Democratic People's Republic of Korea on its website;

(b) Informed the interested representative bodies of the Hungarian service providers supervised by the Unit.

With respect to the above-mentioned European Union decisions and regulations, there were no financial restrictive measures (freezing) taken by the Unit.

Non-proliferation Inter-Agency Forum

The establishment of informal meetings was initiated by the Export Control department of the Authority of Defense Industry and Export Control to revive the former non-proliferation inter-agency committee, which coordinated and made

principal decisions on the national implementation of Hungary's non-proliferation commitments, and the Chemical Weapons Convention and the Biological Weapons Convention. The Non-proliferation Inter-Agency Forum is conducted as an informal meeting and aims to bring together departments involved in counterproliferation and issues related to restrictive measures regulated by international sanctions. Participation ranges from the implementation level up to the policy level. Many topics are addressed relating to export controls, non-proliferation and international sanctions, including issues regarding implementation, licensing, intangible technology transfers, new technologies, threats and answers pertaining to the export control world.

The meetings provide a venue for the representatives to share new information on the work of international organizations and regimes, such as European Union institutions, the Organization for the Prohibition of Chemical Weapons and other export control regimes. The following institutions are always represented at these meetings: the Authority of Defense Industry and Export Control, the Ministry of Foreign Affairs and Trade, the Hungarian Atomic Energy Authority, the National Tax and Customs Administration, the Special Service for National Security, the Military National Security Service, the Constitution Protection Office, the Intelligence Office and the National Centre for Epidemiology. Representatives of the Ministry of National Economy and the Ministry of Defence also take part.

The next meeting of the Forum is scheduled for June 2016, when the recently amended restrictive measures against the Democratic People's Republic of Korea will be thoroughly discussed.